3. **REGULATIONS**

A. Control of Air Pollution from New Marine Diesel Engines (EPA)

On December 29, 1999, (64 FR 73300), the U.S. Environmental Protection Agency (EPA) published a final rule (40 CFR parts 89, 92, and 94) establishing an emission control program for new marine diesel engines rated at or above 37 kilowatts (kW). The affected engines are used for propulsion and auxiliary purposes in a wide variety of marine applications. The standards will lead to significant reduction in oxides of nitrogen (NO_x) and particulate matter emissions from this source. When combined with other mobile source emission control programs, this program will help provide long-term improvements in air quality in many port cities and other coastal areas. Overall, these emission standards provide much needed assistance to states facing ozone and particulate air quality problems, which can cause a range of adverse health effects for their residents, especially in terms of respiratory impairment and related illnesses. Regulated entities include manufacturers of new marine diesel engines, manufacturers of marine vessels or other equipment using such engines, and companies that rebuild or maintain these engines.

The engines that are the subject of this action are very diverse in terms of physical size, engine technology, control hardware, and costs associated with reducing emissions. Consequently, EPA has divided marine diesel engines into categories for the purposes of applying emission limits and duty cycles. The categorization scheme relies predominantly on per-cylinder displacement to distinguish between categories of engines. Category 1 engines are defined as those marine diesel engines that are rated above 37 kW and have a per-cylinder displacement of less than 5 liters. Category 2 engines are those marine diesel engines with per-cylinder displacement at or above 5 liters and up to 30 liters. Category 3 engines are those marine diesel engines with a displacement at or above 30 liters per cylinder. Category 3 engines are very large high-power engines that are used almost exclusively for propulsion on vessels engaged in international trade.

Oceangoing vessels with Category 3 propulsion engines typically have additional Category 1 and Category 2 engines onboard. EPA has adopted a provision that will allow owners of qualifying vessels to obtain an exemption from the national emission requirements for Category 1 and Category 2 engines that are installed on any U.S.-flagged vessel engaged in foreign trade or other overseas operation. EPA expects that these ship owners will buy engines compliant with the new Annex VI of the 1973 International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978, as amended, (MARPOL Convention). This provision will allow all engines on qualifying vessels to meet solely the international requirements for NO_x of MARPOL Annex VI. A vessel owner can obtain this exemption if it can be demonstrated to EPA's satisfaction that the vessel: (1) will spend less than 25 percent of its total engine operation time within 320 nautical kilometers (200 nautical miles) of U.S. territory; or (2) will not operate between two U.S. ports.

The International Maritime Organization (IMO) is the secretariat for the MARPOL Convention. Annex VI to MARPOL, adopted on September 27, 1997, (but not yet in force) contains, among other provisions, requirements to limit NO_x emissions from marine diesel engines, but sets no limits for other engine pollutants. Other provisions of Annex VI include requirements for ozone-

depleting substances, sulfur content of fuel, incineration, volatile organic compounds from refueling, and fuel quality. The United States has signed Annex VI, but the Annex has not yet been forwarded to the Senate for its advice and consent.

MARPOL Annex VI specifies that any diesel engine over 130 kW installed on a vessel constructed on or after January 1, 2000, and any diesel engine over 130 kW that undergoes a major conversion after that date must comply with the Annex VI NO_x limits. These NO_x requirements are intended to apply to all vessels in a country's fleet. However, according to regulation 13(1)(b)(ii) of the Annex, a country has the option of setting alternative NO_x control measures for engines on vessels that are not operated internationally. This EPA final rule is intended to be an alternative NO_x control measure under the Annex for engines on U.S.-flagged vessels that are not operated internationally.

For further information, contact Mr. Alan Stout, Office of Mobile Sources, U.S. Environmental Protection Agency, 2565 Plymouth Road, Ann Arbor, MI 48105, (phone: (734) 214-4805).

B. Fishery Endorsement to Vessel's Documentation (MARAD)

On January 5, 2000, (65 FR 646), the Maritime Administration (MARAD), U.S. Department of Transportation, issued a proposed rulemaking (46 CFR part 356) concerning implementation of the new U.S. citizenship requirements set forth in the American Fisheries Act of 1998 (AFA), Title II, Division C, Public Law 105-277, for vessels of 100 feet or greater in registered length for which a fishery endorsement to the vessel's documentation is sought. The proposal would implement new statutory requirements of the AFA by raising the U.S. ownership and control standards for U.S.-flag fishing vessels of 100 feet or greater in registered length that are operating in U.S. waters, by eliminating exemptions for fishing vessels that can not meet current citizenship standards, by phasing out of operation many of the largest fishing vessels, and by establishing new criteria to be eligible to hold a preferred mortgage on such vessels. The regulations set out which transactions are permissible, which transactions will require prior approval, and which transactions are impermissible and, to the extent practicable, minimize disruptions to the commercial fishing industry, to the traditional financing arrangements of such industry, and to the opportunity to form fishery cooperatives.

For further information, contact Mr. John T. Marquez, Office of the Chief Counsel, Maritime Administration, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, DC 20590, (phone: (202) 366-5320).

C. On-Water Oil Recovery Capacity (CG)

In 1996, the Coast Guard (CG), U.S. Department of Transportation, published two final rules (33 CFR parts 154 and 155) concerning vessel response plans and response plans for marine transportation-related facilities. Those final rules contain requirements for on-water oil recovery capacity (referred to as caps) that an owner or operator must ensure is available, through contract or other approved means, in planning for a worst case discharge. These caps were established

taking into account 1993 technology, deployment capability, and availability of response resources. The rules established a 1998 cap, a 25 percent increase from the 1993 levels, as a target for increasing response capabilities.

On January 6, 2000, (65 FR 710), the Coast Guard published a notice of decision that it had completed its review and the 25 percent increase for on-water mechanical recovery will take effect 90 days from the date of the notice. The Coast Guard will consider a 2003 cap for mechanical on-water removal capability and requirements for other removal technologies in a subsequent notice of proposed rulemaking.

For further information, contact Cdr. John Caplis, Office of Response (G-MOR), U.S. Coast Guard, 2100 Second Street, SW, Washington, DC 20593, (phone: (202) 267-6922).

D. Phase-Out Requirements for Single Hull Tank Vessels (CG)

Section 4115 of the Oil Pollution Act of 1990 (OPA 90; P.L. 101-380) amended Title 46 of the United States Code by adding a new section 3703a. This section contains the double hull requirements and phase-out schedule for single hull tank vessels operating in U.S. waters. It requires an owner to remove a single hull tank vessel from bulk oil service on a specific date, depending on the vessel's gross tonnage, build date, and hull configuration. The phase-out schedule allows more years of service for single hull tank vessels that have been configured to include double sides or a double bottom than for ones without these hull configurations.

On January 18, 2000, (65 FR 2812), the Coast Guard, U.S. Department of Transportation, issued a proposed rule (33 CFR part 157) to clarify its regulations for determining phase-out dates for single hull tank vessels under OPA 90. This proposed rule would codify Coast Guard policy published on April 21, 1999, that states that conversion of a single hull tank vessel to add only double sides or only a double bottom after August 18, 1990, will not change the vessel's scheduled phase-out date under OPA 90.

For further information, contact Mr. Robert Gauvin, Office of Operating and Environmental Standards (G-MSO), U.S. Coast Guard, 2100 Second Street, SW, Washington, DC 20593, (phone: (202) 267-1053).

E. Products Containing Recovered Materials (EPA)

On January 19, 2000, (65 FR 3070), the U.S. Environmental Protection Agency (EPA) issued a final rule (40 CFR part 247) amending the May 1, 1995, Comprehensive Procurement Guideline (CPG). EPA is designating 18 new items that are or can be made with recovered materials. These items are carpet cushion; flowable fill; railroad grade crossing surfaces; park benches and picnic tables; playground equipment; food waste compost; plastic lumber landscaping timbers and posts; solid plastic binders; plastic clipboards; plastic file folders; plastic clip portfolios; plastic presentation folders; sorbents (i.e., absorbents and adsorbents); industrial drums; awards and plaques; mats; signage; and manual-grade strapping.

The CPG implements section 6002 of the Resource Conservation and Recovery Act (RCRA) and section 502 of Executive Order 13101, which require EPA to designate items that are or can be made with recovered materials and to recommend practices that procuring agencies can use to procure designated items. Once EPA designates an item, any procuring agency that uses appropriated federal funds to procure that item must purchase the item containing the highest percentage of recovered materials practicable. This action will use government purchasing power to stimulate the use of these materials in the manufacture of new products, thereby fostering markets for materials recovered from solid waste. RCRA section 6002 also provides certain limited exceptions to the general requirement to buy EPA-designated items.

For further information, contact the RCRA Hotline at (800) 424-9346.

F. Frequency of Inspection (CG)

On February 9, 2000, (65 FR 6494), the Coast Guard, U.S. Department of Transportation, published a final rule (46 CFR parts 2, 30, 31, 52, 61, 71, 90, 91, 98, 107, 110, 114, 115, 125, 126, 132, 133, 134, 167, 169, 175, 176, 188, 189, 195, and 199) that amends its vessel inspection regulations to introduce a 5-year Certificate of Inspection cycle in accordance with the Coast Guard Authorization Act of 1996. This 5-year Certificate of Inspection cycle harmonizes Coast Guard inspections with most internationally required certificates. This rulemaking is necessary for the following reasons: to align inspection schedules with international protocols; to establish an examination process giving industry additional latitude in scheduling inspections; and to create a parity between small passenger vessels and all other Coast Guard-inspected vessels. The Coast Guard expects this rule to result in a reduction in the time and paperwork associated with Coast Guard vessel inspections for certification.

For further information, contact LCdr. Don Darcy, Office of Standards Evaluation and Development (G-MSR), U.S. Coast Guard, 2100 Second Street, SW, Washington, DC 20593, (phone: (202) 267-1200).

G. Registration and Fee Assessment (RSPA)

On February 14, 2000, (65 FR 7297), the Research and Special Programs Administration (RSPA), U.S. Department of Transportation, published a final rule (49 CFR part 107) that amends the statutorily mandated registration and fee assessment program for persons who transport or offer for transportation certain categories and quantities of hazardous materials. In this final rule, RSPA is: (1) expanding the criteria for those persons required to register to include all persons who offer for transportation or transport hazardous materials that require placarding (except for those activities of farmers directly in support of farming operations); (2) adopting a two-tiered fee schedule -- $300 for those registrants meeting the U.S. Small Business Administration criteria for defining a small business and $2,000 for all other registrants; and (3) permitting registration for 1, 2, or 3 years on a single registration statement. This final rule is intended to increase funding for the national Hazardous Materials Emergency Preparedness Grants Program.

For further information, contact Mr. David Donaldson, Office of Hazardous Materials Planning and Analysis, Research and Special Programs Administration, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, DC 20590, (phone: (202) 366-4484).

H. Vessel Identification System (CG)

On February 16, 2000, (65 FR 7926), the Coast Guard (CG), U.S. Department of Transportation, proposed to amend its regulations (33 CFR parts 174 and 187) on the voluntary Vessel Identification System (VIS). VIS is a nationwide system for collecting information on vessels and vessel ownership to help identify and recover stolen vessels, deter vessel theft, and assist in deterring and discovering security-interest and insurance fraud. These amendments concern the requirements for states electing to participate in VIS. The amendments would improve the integrity and uniformity of the system and reflect recent statutory changes.

For further information, contact Ensign Christopher Williammee, Office of Information Resources (G-MRI), U.S. Coast Guard, 2100 Second Street, SW, Washington, DC 20593, (phone: (202) 267-6989).